

VOTE SHEET

NOVEMBER 6, 2001

RE: Docket No. 001122-WS - Joint application for transfer of all water and wastewater facilities of Spruce Creek South Utilities, Inc. in Marion and Sumter Counties to Florida Water Services Corporation, for cancellation of Certificates Nos. 511-W and 467-S held by Spruce Creek South Utilities, Inc. and for amendment of Certificates Nos. 373-W and 322-S held by Florida Water Services Corporation; and joint petition for approval of ancillary agreements.

ISSUE 1: Should the transfer of the water and wastewater facilities from Spruce Creek to Florida Water be approved?

RECOMMENDATION: Yes. The transfer of Spruce Creek's water and wastewater facilities to Florida Water is in the public interest and should be approved. Certificates Nos. 511-W and 467-S should be canceled. Certificates Nos. 373-W and 322-S should be amended to include the territory described in Attachment A of staff's October 25, 2001 memorandum.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the majority column]

Michael A. Polucha

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

14054 NOV-6 01

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ISSUE 2: What is the rate base for Spruce Creek's water and wastewater systems at the time of the transfer?

RECOMMENDATION: The rate base is \$912,054 for water and \$2,480,839 for wastewater as of June 30, 2000.

MODIFIED

Approved with the exception to the two adjustments on accumulated depreciation rates (H), page 18) and other necessary full-out adjustments.

ISSUE 3: Should deferred debits for invested taxes on CIAC be added to the calculation of rate base for transfer purposes?

RECOMMENDATION: No. Invested CIAC taxes should not be added to rate base.

APPROVED

ISSUE 4: Should a positive acquisition adjustment be approved?

RECOMMENDATION: No. A positive acquisition adjustment should not be included in the calculation of rate base for transfer purposes.

APPROVED

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ISSUE 5: Should the existing rates and charges for Spruce Creek be continued?

RECOMMENDATION: Yes. The existing rates and charges for Spruce Creek should be continued. The tariff sheets reflecting these rates and charges should be effective for services rendered or connections made on or after the stamped approval date.

APPROVED

ISSUE 6: Should the Assignment and Assumption Agreement by Florida Water of the Irrigation Agreement between Spruce Creek and Spruce Creek Golf and Country Club Homeowners' Association, Inc., and the Irrigation Agreement between Spruce Creek and Spruce Creek Preserve Homeowners' Association, Inc., be approved?

RECOMMENDATION: Yes. The terms and conditions of the two Irrigation Agreements are reasonable and the Assignment and Assumption Agreement should be approved. Florida Water should file an irrigation tariff reflecting the applicability, limitations, and terms of payments by December 6, 2001. Florida Water should also be required to impute, as though collected, any revenues associated with the base facility charge which are not billed as a result of the two agreements.

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ISSUE 7: Should the provisions of the Reuse Agreement and the new class of service for effluent water be approved?

RECOMMENDATION: Yes. The terms and conditions of the Reuse Agreement between Florida Water and Del Webb are reasonable and should be approved. A new class of service for effluent water should be approved at the rate of \$0.05 per 1,000 gallons. The tariff sheets for effluent water service should be made effective on or after the stamped approval date. Prior to providing reclaimed water service to any customer other than the Spruce Creek Country Club, the utility should be required to return to the Commission for a determination of the continued appropriateness of the rate for effluent water service.

APPROVED

ISSUE 8: Should the Futures Agreement be approved?

RECOMMENDATION: Yes, the Futures Agreement should be approved. The utility should be required to record the periodic futures payments and the one-time lump sum payment, if applicable, as the cost of the water and wastewater lines. In addition, Florida Water should require the developer to provide invoices representing actual construction costs as payments are made.

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ISSUE 9: Should the docket be closed?

RECOMMENDATION: No. If no timely protest is received to the proposed agency action or tariff issues, a Consummating Order should be issued upon the expiration of the protest period. If a protest to the tariff for the new class of service is timely filed, the tariff should remain in effect pending resolution of the protest. This docket should remain open to allow the utility to file the irrigation tariff required in Issue 6. Staff should be given the authority to administratively close this docket upon verification that the tariff has been filed.

APPROVED